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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, DC 20554

Re: CC Docket No. 92-237 ✓
NSD File No. 98-151

Dear Ms. Salas:

By and through its undersigned counsel, Warburg, Pincus & Co. ("Warburg Pincus") hereby submits the following information requested, in part, by Commission staff with regard to the above-referenced proceedings.

This will inform the Commission that, based on the publicly available list of assigned central office codes maintained by Lockheed Martin IMS as the NANPA, Covad Communications Group, Inc. ("Covad") is not presently assigned any NXX codes.

Moreover, in order to ensure a complete record regarding Warburg Pincus' holdings in Covad, Warburg Pincus wishes to bring to the attention of the Commission a Covad June 7 announcement regarding voice telephone trials over its network. Upon inquiry, Covad has clarified that the announcement is entirely consistent with previous representations made by Warburg Pincus to the Commission that Covad does not use North American Numbering Plan ("NANP") telephone numbers.¹ As an access service provider using dedicated facilities, Covad does not operate central office telephone switching facilities nor does it utilize telephone numbers in providing service to its customers.

¹ "Request for Expeditionary Review of the Transfer of the Lockheed Martin Communications Industry Services Business," at 16, filed by Lockheed Martin IMS Corporation and Warburg, Pincus & Co. on December 21, 1998.

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Covad is a wholesale provider of local access services specializing in high-speed digital subscriber loop ("DSL") services. Covad's customers are network service providers (e.g., Internet Service Providers ("ISPs") and competitive local exchange carriers ("CLECs")) that wish to connect their network to an end-user using high-speed DSL over copper facilities. Covad does not provide service to end-users directly.² To date, Covad's customers have been principally ISPs using the service to provide cost effective high-speed access to their end-user customers as an alternative to full T1 access.³

Essentially, Covad's access service emulates the digital fiber local transport networks commonly used by LECs to provide high-capacity access services between end-users and the LECs' own central office switching facilities. Covad does not provide public network transport or switching services, but instead simply sells access to such service. Covad has obtained CLEC certification in a number of states in order to enable it to resell local loops from the ILEC, and also to collocate access multiplexors at the incumbent's central office. Obtaining such certification does not, however, constitute the provision of public transport or switching services.

² Prospective end-users inquiring about Covad services are referred to a list of service providers for their location ("wire center") that in turn purchase access services from Covad for connection to end-users. Covad provides a pure unbundled network element ("UNE") service, useable only as part of a complete network service offering by a telephone carrier, and not a service available to an end-user on a stand-alone basis.

³ Covad provides local loop resale, installation, support, and customer premises equipment ("CPE") as a value-added service to telecommunications service providers. Covad resells the ILEC copper loop to the customer premises as a UNE, installs the CPE (DSL modem), terminates the local loop with a DSL access multiplexor ("DSLAM") collocated at the ILEC wire center, and transports the DSL data stream over a local access network to the nearest service provider point of presence ("POP"). Covad's local access network provides virtual point-to-point connectivity from the DSLAM to the service provider POP to complete the logical DSL loop end-to-end.

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Thus, Covad's announcement of the successful technology trial of a DSL modem that supports voice ports in addition to the traditional high-speed data ports, does not alter the announced business strategy for the company. Covad's services are independent of the type of traffic transmitted over its DSL facilities. Covad's DSL service remains solely an access service, where any central office switching equipment and associated telephone numbering resource is provided by Covad's service provider customers, and not by Covad itself. Covad's SEC filings do not indicate any plans to provide these services. It is noteworthy that providing these services would place Covad in competition with its stated marketplace, the CLECs and ISPs. Covad is an outsource provider of UNE services to carriers, and not itself a telephone carrier.

Pursuant to Section 1.1206(b) of the Commission's rules, 47 C.F.R. § 1.1206(b), Warburg Pincus is submitting an original and one copy of this letter, as well as an additional copy for each of the above-referenced proceedings.

Respectfully submitted,



Michael G. Jones

cc: Lawrence E. Strickling, Chief, Common Carrier Bureau
Jordan Goldstein, Common Carrier Bureau
Anna Gomez, Common Carrier Bureau
Yog Varma, Common Carrier Bureau
Diane Harmon, Common Carrier Bureau
Tejal Mehta, Wireless Telecommunications Bureau